

# **EXHIBIT 15**

Document title: Buy Low-Tops, Sell High-Tops: StockX Sneaker Exchange Is Worth \$1 Billion - The New York Times

Capture URL: <https://www.nytimes.com/2019/06/26/technology/trading-sneakers-stockx.html?searchResultPosition=1>

Page loaded at (UTC): Tue, 06 Aug 2024 18:12:33 GMT

Capture timestamp (UTC): Tue, 06 Aug 2024 18:13:28 GMT

Capture tool: 10.48.1

Collection server IP: 54.145.42.72

Browser engine: Mozilla/5.0 (X11; Linux x86\_64) AppleWebKit/537.36 (KHTML, like Gecko)  
Chrome/124.0.0.0 Safari/537.36

Operating system: Linux (Node 20.11.1)

PDF length: 12

Capture ID: kzFREsqqmfHPQ6ozFeaS7b

User: cjlauzau

# Buy Low-Tops, Sell High-Tops: StockX Sneaker Exchange Is Worth \$1 Billion

StockX is one of several online marketplaces that have turned resales of shoes into a big — and highly valued — business.





Scott Cutler, left, the new chief executive of StockX, and Josh Luber, the founder, in the company's storage room at its Detroit headquarters. Nick Hagen for The New York Times



By [Erin Griffith](#)

June 26, 2019

Nic Wilkins started selling parts of his [sneaker](#) collection online two years ago as a way to make some extra cash in college. The hobby took off, and this year he expects to move 10,000 pairs of shoes. His anticipated take is a 25 percent profit from over \$1 million in sales.

The main website enabling Mr. Wilkins's now full-time business? StockX, a site that treats coveted consumer goods like sneakers [as tradable commodities](#).

Sneaker collecting and trading "just keeps growing," said Mr. Wilkins, a 24-year-old San Francisco resident who recently hired a business partner to manage his shoe inventory at a warehouse in upstate New York. "It is absolutely wild."

StockX is part of a burgeoning group of online marketplaces that have turned resales of sneakers into a kind of currency — and an increasingly big business. Other sites like GOAT Group, Stadium Goods and Bump, which also resell sneakers, streetwear and other goods, have raised more than \$200 million in venture capital funding. On Wednesday, StockX said it had hired a new chief executive to expand its business and garnered a fresh \$110 million in financing that values it at more than \$1 billion.

The rise of these online marketplaces is now pushing sneaker retailers and brands to rethink the potential of resale sites — once deemed a quirky niche for enthusiasts — as serious distribution channels. In February, Foot Locker invested \$100 million in GOAT Group and said the companies would "combine efforts across digital and physical retail platforms." And the luxury site Farfetch acquired the LVMH-backed Stadium Goods for \$250 million in December.



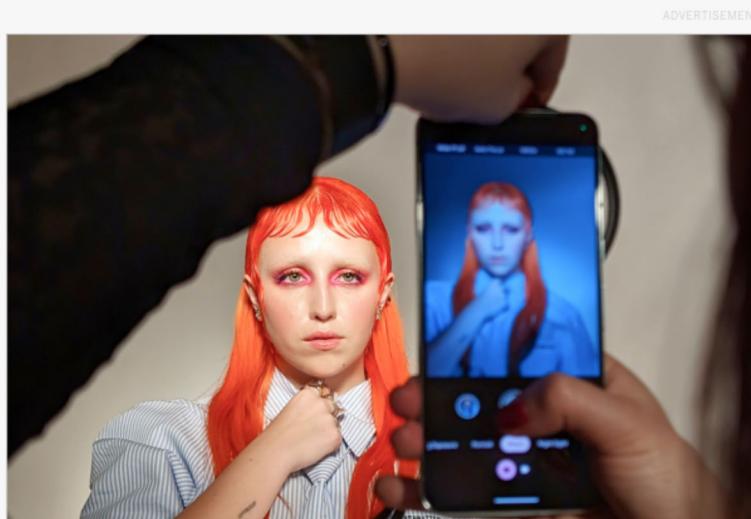


StockX grew out of Campless, a website that tracked sneaker resale prices on eBay. Nick Hagen for The New York Times

The fervor for sneakers has been fueled by “sneakerheads” and others who regard the shoes as investment assets. All told, the market for resale sneakers and streetwear in North America is projected to reach \$6 billion by 2025 from \$2 billion today, according to Cowen, an investment bank.

“The internet and eBay made reselling into a cottage industry,” said Matt Powell, an analyst at NPD Group. “Platforms like StockX made it into a business.”

For sneaker brands like Nike and Adidas, sites like StockX add a twist to the ecosystem around their most desired shoes, like Jordans and Yeezys. So far, the companies have taken a hands-off stance to the online marketplaces, with Nike’s chief financial officer saying in March that the company was not focused on reselling and had no partnership plans or business strategy for it.



ADVERTISEMENT  
**Google Pixel**

**Documenting a Pop Artist’s Vision, Powered by Google AI**  
The magic is in Pixel 8 Pro.

[Watch Now](#)

But while the sneaker brands are not capturing any resale revenue, they benefit indirectly because that market generates buzz for them. So they carefully — and secretly — manage the supply of their hottest items, leading to wild spikes in resale prices, said John Kernan, a research analyst at Cowen.

“Keeping Jordans or Yeezys in cool markets, with demand far outstripping supply, is making them more relevant in the mass market,” Mr. Kernan said.



A pair of customized sneakers made from the jerseys of the Chicago Bulls are part of Mr. Luber's extensive sneaker collection. Brittany Greeson for The New York Times

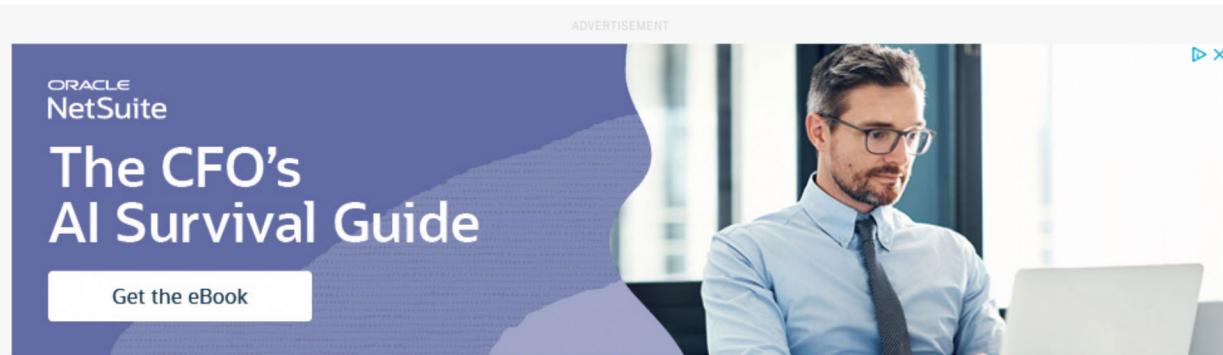
Nike teased the resale market last November when it released a pair of \$160 Jordan 1s that bore a message: Their tongues said “WEAR ME,” their toeboxes said “PLEASE CREASE,” and their midsoles said “NOT FOR RESALE.” In a few cases, shop owners required buyers to wear the shoes out of the store, a move that damaged their resale potential since most of the resale sites sell unworn sneakers. But the attention only fueled demand: The Jordan 1s immediately appeared on StockX and have sold for prices as high as \$1,000.

Nike declined to comment.

Scott Cutler, the new chief executive of StockX, said more brands

Scott Cutler, the new chief executive of StockX, said more brands would eventually have to pay attention to resellers. “Nike, Adidas, Louis Vuitton, Gucci, Rolex, whatever it is, they’re certainly not ignoring marketplaces and are not naïve to the fact that their distribution channels are evolving,” he said.

ADVERTISEMENT



ORACLE  
NetSuite

## The CFO's AI Survival Guide

Get the eBook

StockX grew out of Campless, a website that Josh Luber, a former I.B.M. consultant, built in 2012 to track sneaker resale prices on eBay. After Mr. Luber delivered a popular TED Talk titled “[Why sneakers are a great investment](#),” Dan Gilbert, owner of the Cleveland Cavaliers, and a co-founder, Greg Schwartz, acquired Campless.



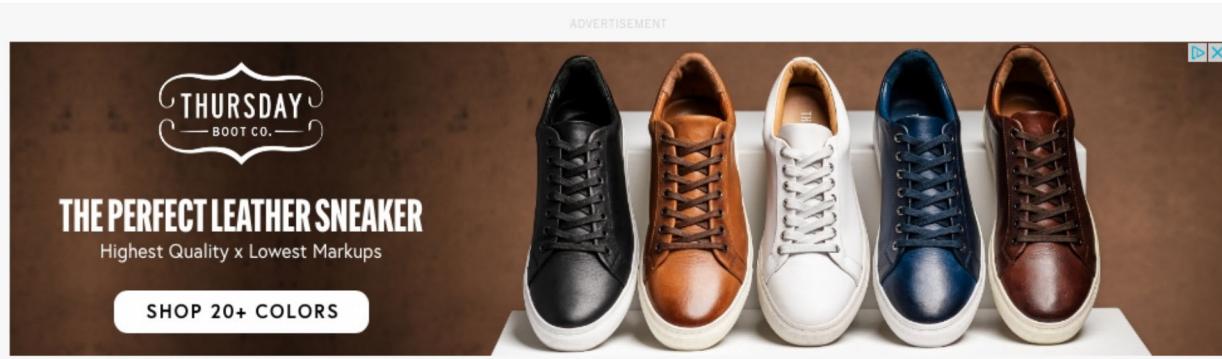
Mr. Cutler previously worked for eBay, StubHub and the New York Stock Exchange.  
Nick Hagen for The New York Times

Campless eventually transformed itself into StockX, a marketplace to buy and sell sneakers. From the beginning, it also positioned itself as a “stock market of things.”

On StockX, that played out with buyers bidding on items or purchasing them for the lowest asking price from sellers. Once a

On StockX, that played out with buyers bidding on items or purchasing them for the lowest asking price from sellers. Once a bid was accepted, sellers shipped their items to one of StockX's four authentication centers, which make sure the shoes are not fake brands and then send them to the buyer. StockX makes money by charging sellers a transaction fee.

The company said its revenue had more than doubled in the last year, with gross product sales topping \$100 million a month. It has expanded into streetwear and luxury goods like handbags and has more than 800 employees.



The site does not carry user profiles and ratings, but includes detailed sales and pricing history for each item, making it more like a stock market than eBay. In total, StockX has raised \$160 million, with its newest investors including General Atlantic, DST Global and GGV Capital.

One customer has been Usman Hasib, a 32-year-old in Houston. A sneaker collector since he was 13, Mr. Hasib has used StockX to amass 56 pairs of shoes worth around \$25,000, according to StockX's "portfolio" tracker. He rarely sells his purchases.

"I try to wear a different one every day," he said.

When Mr. Hasib recently was unable to score Nike's Off-White Jordan 1 sneakers in retail stores, he paid around \$1,050 for a pair on StockX. Prices later surged to nearly \$3,000 on the site. "It literally is like playing a stock market," he said.





A StockX executive showed sneakerheads and small-business owners a custom sneaker during a tour of the offices in April last year. Brittany Greeson for The New York Times

Mr. Cutler, who previously worked at eBay, StubHub and the New York Stock Exchange, became an adviser to StockX in 2016. That was when he read about the company's plans to create a Big Board for commerce and products, modeled after marketplaces like eBay and StubHub. So he decided to offer his help.

ADVERTISEMENT

 An advertisement for Allbirds. It features a pair of grey Allbirds sneakers with white laces, set against a background of green grass. The Allbirds logo is visible on the side of the left shoe. To the right of the shoes, the text 'New Hues, Unlocked' is displayed in a white, sans-serif font. Below that, a 'SHOP NOW' button is visible. In the top right corner of the image, there are small 'D' and 'X' icons, likely for sharing or closing the ad.

“I immediately reached out and said, ‘Interestingly enough, I am the one person on the Earth that knows all of those companies intimately well,’ he said.

He said StockX planned to use the new \$110 million in capital to expand internationally and push into selling newly released products.

Mr. Luber, StockX's founder, said he was stepping down as chief executive but would continue to be the company's public face. In a phone call from Paris, where StockX was involved in Fashion Week, he said he now had an even bigger vision than dropping new Jordans on StockX: He wants to replace static retail prices — an “antiquated concept” he said — with a stock market style of

#### Editors' Picks



What Does It Mean to Slice Steak Against the Grain?



‘House of the Dragon’ Season 2 Finale Recap: Hold Your Fire



Everything You Need to Know to Make the Best Steak

Technology: Buy Low-Tops, Sell High-Tops: StockX Sneaker Exchange Is Worth \$1 Billion

Jordans on StockX: He wants to replace static retail prices — an “antiquated concept,” he said — with a stock market style of shopping. In this setup, shoppers place bids on new items and prices are determined entirely by supply and demand.

Mr. Luber said he recognized the concept might initially be a stretch. “To tell all these brands that our idea is to get rid of retail prices is crazy, but that’s the slow, big idea behind it,” he said.



Mr. Luber has installed a ticker tracking the value of different shoes within StockX's ecosystem. Nick Hagen for The New York Times

StockX is already moving ahead with the notion. In January, it held an “I.P.O.” — that’s initial product offering — for a limited run of slide sandals created by Ben Baller, a celebrity jewelry designer. The company used a complicated Dutch auction to determine which bidders got to buy the sandals and at what price. It resulted in an average price of \$210 a pair — three times as much as they would have cost at retail, but lower than the majority of the bids.

ADVERTISEMENT



The Highest Quality  
Leather Sneakers without  
the Hefty Retail Markup

[SHOP SNEAKERS](#)



After the release, other brands inquired about similar deals. StockX now has half a dozen such releases in the works with other designers, Mr. Luber said. “It’s not going to be an overnight thing,

now has half a dozen such releases in the works with other designers, Mr. Luber said. "It's not going to be an overnight thing, but it is absolutely logical," he said.

In the meantime, StockX is expanding further into secondhand sales of luxury goods such as handbags and watches, an area currently topped by The RealReal, a San Francisco start-up that plans to go public this week.

Mr. Wilkins, the power seller of sneakers, said he didn't plan to trade the shoes forever, but "right now it's awesome income."

There is one drawback, he acknowledged. Once his hobby became a business, he lost interest in getting the hottest shoes for himself. "The more and more you sell shoes, the more and more you dislike shoes," he said.

**A correction was made on June 26, 2019:** An earlier version of this article misspelled the surname of a co-founder of StockX. His name is Greg Schwartz, not Schwarz.

---

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at [nytnews@nytimes.com](mailto:nytnews@nytimes.com). [Learn more](#)

**Erin Griffith** reports on technology start-ups and venture capital from the San Francisco bureau. Before joining The Times she was a senior writer at Wired and Fortune. [More about Erin Griffith](#)

---

A version of this article appears in print on June 27, 2019, Section B, Page 1 of the New York edition with the headline: StockX Market: Buy Low-Tops, Sell High-Tops. [Order Reprints](#) | [Today's Paper](#) | [Subscribe](#)

[READ 32 COMMENTS](#)

Share full article 32

---

## Explore Our Business and Tech Coverage

Dive deeper into the people, issues and trends shaping the worlds of business and technology.

- **Skirting A.I. Bans:** A global effort has helped China circumvent U.S. restrictions to access A.I. technology and further its military research, [a Times investigation has found](#).
- **A Fractured Friendship:** Growing tensions between Bill Gates and Warren Buffett — over issues both substantive and stylistic — [have roiled the world of philanthropy](#).
- **The Zoom Election:** The videoconferencing app made famous during the pandemic has become a [critical piece of campaign tech](#) for Democrats hoping to elect Kamala Harris.
- **Fed Up With Human Resources?** Get in line behind the H.R. managers themselves, who say that since the pandemic, [the job has become an exasperating ordeal](#).
- **Swindled Savings:** Scammers are targeting older Americans and their retirement savings. [Here's how one man lost \\$740,000](#).

- **Swindled Savings:** Scammers are targeting older Americans and their retirement savings. [Here's how one man lost \\$740,000.](#)

## More In Technology



Jim Wilson/The New York Times

As Regulators Close In, Nvidia Scrambles for a Response



Allison Dinner/EPA, via Shutterstock

Don Lemon Sues Elon Musk Over Canceled X Deal



PAID POST: DIGNITY MEMORIAL

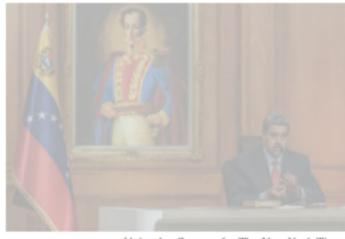
Can Decisions Made Now Spare Your Family in the Future?

Dignity\*



Carlos Barria/Reuters

X to Close Flagship San Francisco Office



Alejandro Cegarra for The New York Times

Elon Musk Blasts Venezuela's Maduro in an Escalating War of Words



John G Mabanglo/EPA, via Shutterstock

Elon Musk Revives Lawsuit Against OpenAI and Sam Altman

## Editors' Picks



Christopher Simpson for The New York Times. Food Stylist: Simon Andrews. Prop Stylist: Paige Hicks.

How Healthy Are Tomatoes?



36 Hours in Salzburg, Austria



Yon Marsh Natural History/Alamy

How Did Roses Get Their Thorns?

## Trending in The Times

Sadness Among Teen Girls May Be Improving, C.D.C. Finds

Tim Walz Is the Veep's Pick for Veep

West Indian Kedgeree Is 'Comfort Food for a Quick Weeknight Dinner'

X, Owned by Elon Musk, Brings Antitrust Suit Accusing Advertisers of a Boycott

The 'Orgasm Gap' Isn't Going Away for Straight Women

More People Are Overdosing on Ozempic Alternatives

Festival Winners Crowd New York Film Festival Main Slate Lineup

Book Review: Horses: Some People Just Drank Their Milk, Others Built Empires

What's Rattling Trump: The Size of Harris's Crowds

Opinion: Kamala Harris Surprises Everyone

ADVERTISEMENT

For beekeepers.

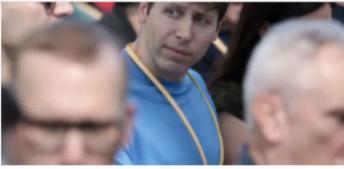


The New York Times

\$6.25 \$1 a week for your first six months.

**SUBSCRIBE NOW**

Cancel or pause anytime.

X to Close Flagship San Francisco Office  
Carlos Barria/ReutersElon Musk Blasts Venezuela's Maduro in an Escalating War of Words  
Alejandro Cegarra for The New York TimesElon Musk Revives Lawsuit Against OpenAI and Sam Altman  
John G Mabanglo/EPA, via Shutterstock

## Editors' Picks



Christopher Simpson for The New York Times. Food Stylist: Simon Andrews. Prop Stylist: Paige Hicks.

How Healthy Are Tomatoes?



36 Hours in Salzburg, Austria

How Did Roses Get Their Thorns?  
Yon Marsh Natural History/Alamy

More People Are Overdosing on Ozempic Alternatives

Festival Winners Crowd New York Film Festival Main Slate Lineup

Book Review: Horses: Some People Just Drank Their Milk, Others Built Empires

What's Rattling Trump: The Size of Harris's Crowds

Opinion: Kamala Harris Surprises Everyone

ADVERTISEMENT

The New York Times

\$6.25 \$1 a week for your first six months.

[SUBSCRIBE NOW](#)

Cancel or pause anytime.

## The New York Times

Go to Home Page »

NEWS  
[Home Page](#)  
[U.S.](#)  
[World](#)  
[Politics](#)  
[New York](#)  
[Education](#)  
[Sports](#)  
[Business](#)  
[Tech](#)  
[Science](#)  
[Weather](#)  
[The Great Read](#)  
[Obituaries](#)  
[Headway](#)  
[Visual Investigations](#)  
[The Magazine](#)

ARTS  
[Books](#)  
[Best Sellers Book List](#)  
[Dance](#)  
[Movies](#)  
[Music](#)  
[Pop Culture](#)  
[Television](#)  
[Theater](#)  
[Visual Arts](#)

LIFESTYLE  
[Health](#)  
[Well](#)  
[Food](#)  
[Restaurant Reviews](#)  
[Love](#)  
[Travel](#)  
[Style](#)  
[Fashion](#)  
[Real Estate](#)  
[T Magazine](#)

OPINION  
[Today's Opinion](#)  
[Columnists](#)  
[Editorials](#)  
[Guest Essays](#)  
[Op-Docs](#)  
[Letters](#)  
[Sunday Opinion](#)  
[Opinion Video](#)  
[Opinion Audio](#)

MORE  
[Audio](#)  
[Games](#)  
[Cooking](#)  
[Wirecutter](#)  
[The Athletic](#)  
[Jobs](#)  
[Video](#)  
[Graphics](#)  
[Trending](#)  
[Live Events](#)  
[Corrections](#)  
[Reader Center](#)  
[TimesMachine](#)  
[The Learning Network](#)  
[School of The NYT](#)  
[inEducation](#)

ACCOUNT  
[Subscribe](#)  
[Manage My Account](#)  
[Home Delivery](#)  
[Gift Subscriptions](#)

Group Subscriptions  
[Gift Articles](#)  
[Email Newsletters](#)

NYT Licensing  
[Replica Edition](#)  
[Times Store](#)

© 2024 The New York Times Company [NYTCo](#) [Contact Us](#) [Accessibility](#) [Work with us](#) [Advertise](#) [T Brand Studio](#) [Your Ad Choices](#) [Privacy Policy](#) [Terms of Service](#) [Terms of Sale](#) [Site Map](#) [Help](#) [Subscriptions](#)

Your Privacy Choices